

ARIZONA STATE SENATE

RESEARCH STAFF



TO: MEMBERS OF THE SENATE
APPROPRIATIONS COMMITTEE

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SUBJECT: Strike everything amendment relating to S.B. 1236, relating to themed park districts; repeal

Purpose

Repeals the authorization to establish a theme park district.

Background

A theme park district is a corporate and political body with all the rights, powers and immunities of a municipal corporation and is considered a tax levying public improvement district. A theme park district is governed by a four-member board of directors. A theme park district must levy transaction privilege tax (TPT) on business activity within the district at a rate of up to 9 percent, which is in addition to TPT and use taxes already imposed by the state, county, and city or town ([A.R.S. Title 48, Chapter 36](#)).

[Laws 2021, Chapter 298](#) extended, to January 1, 2032, the date by which the enabling statutes for theme park district formation are automatically repealed if a theme park district board fails to issue bonds. A *theme park* includes sports venues and overnight lodging or accommodation for theme park patrons and guests. A theme park district may only be formed by a city with a population of more than 1,000,000 persons, and the county in which the city is entirely located.

The maximum aggregate bond principal amount for all established theme park districts is \$2 billion. Until a theme park district's bonds are fully repaid: 1) the district must provide in a lease or use agreement that the lessee or user may not relocate, significantly reduce its operation or terminate its agreement with the district; and 2) the lessee or user may not participate in a different district or in an agreement to use or construct a professional sports stadium or field outside the district.

Property leased by a theme park district is exempt from state and local income and property taxation, except for a hotel building in a district that meets certain requirements. A theme park district board must report on any aspect of district operation at the request of the Chairperson of the Joint Legislative Budget Committee.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Repeals the authorization for an eligible county and city to form a theme park district and the corresponding requirements relating to theme park district:
 - a) organization of administration;
 - b) operations;
 - c) financial procedures; and
 - d) revenue bonds.
2. Contains a technical conditional enactment.
3. Makes conforming changes.
4. Becomes effective on the general effective date.